

Message Text

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ACTION EB-11

INFO OCT-01 AF-10 EUR-25 EA-11 ISO-00 FEA-02 COME-00

TRSE-00 CIEP-02 AID-20 IGA-02 INT-08 SCI-06 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 SAM-01 IO-14 DRC-01

NEA-11 /202 W

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P R 081520Z FEB 74

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC PRIORITY 2719

INFO AMEMBASSY BONN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

US MISSION OECD PARIS

US MISSION EEC BRUSSELS 386

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STATE ALSO FOR T/IEP

E.O. 11652: N/A

TAGS: ENRG

SUBJECT: ENERGY: GOVERNMENT TO GOVERNMENT OIL DEALS

1. SUMMARY WE ARE TOLD THAT FRENCH AND ITALIANS HAVE PUT OUT FEELERS TO FMG ABOUT POSSIBLE GOVERNMENT TO GOVERNMENT CRUDE OIL/INDUSTRIAL EQUIPMENT DEALS AND WE BELIEVE JAPANESE MAY ALSO HAVE DONE SO. HOWEVER NIGERIANS REPORTEDLY REACTED WITH EXTREME CAUTION AND EVEN SKEPTICISM, AND WE HAVE NO REASON BELIEVE THAT DEALS HAVE BEEN MADE OR ARE NOW UNDER CONSIDERATION. END SUMMARY.

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2. BRITISH HIGH COMMISSIONER TOLD US FLATLY THAT UK HAS MADE NO RPT NO OVERTURES TO FMG FOR GOVERNMENT TO GOVERNMENT DEAL, IN SPITE OF RUMORS TO THAT EFFECT THAT ACCOMPANIED RECENT VISITS LADY TWEEDSMUIR AND LORD LIMERICK. BRITISH ECON COUNSELOR ADDED THAT HE DOUBTS NIGERIANS READY TO CONSIDER SUCH ARRANGEMENTS EXCEPT POSSIBLY WITH AFRICAN NEIGHBORS. HE CITED AS EVIDENCE FACT THAT ON OCCASION JANUARY VISIT LORD LIMERICK CERTAIN NIGERIAN COMMISSIONERS WERE RELUCTANT TO RECEIVE HIM, UNTIL HE MADE IT CLEAR HE HAD NOT COME TO PROPOSE OIL DEAL.

3. IN CONVERSATION WITH CHARGE, FRENCH AMBASSADOR SUPPORTED VIEW THAT NIGERIANS SEEM RELUCTANT TO CONTEMPLATE GOVERNMENT TO GOVERNMENT DEALS. AMBASSADOR SAID HE RAISED SUBJECT IN CONVERSATION WITH MINISTRY OF MINES AND POWER PERMSEC ASIODU BUT LATTER EXPRESSED RESERVATIONS, SAW PROBLEMS IN THE FIXING OF PRICES FOR INDUSTRIAL PLANTS AND DID NOT ENCOURAGE DISCUSSION OF SUBJECT.

AMBASSADOR ADDED HOWEVER THAT GOVERNMENT TO GOVERNMENT DEALS CURRENTLY HIGH FASHION IN PARIS, AND HE THOUGH FRANCE MIGHT RENEW OVERTURES AT APPROPRIATE OPPORTUNITY. HE ALSO ADDED THAT HE UNDERSTOOD BRITISH HAD EXTENDED SIMILAR FEELERS TO FMG.

4. IN COURSE OF GENERAL CONVERSATION WITH CHARGE ITALIAN AMBASSADOR VOLUNTEERED THAT ON OCCASION DEDICATION PHILLIPS/AGIP MARINE TERMINAL IN DECEMBER (WHEN GENERAL GOWON REFERRED IN HIS DEDICATION REMARKS TO POSSIBILITIES OF BROADER EXCHANGES WITH DEVELOPED COUNTRIES), ENI PRESIDENT HAD PREFERRED TO DISCUSS POSSIBILITIES OF OIL DEAL WITH FMG. HOWEVER, FMG RESPONSE NONCOMMITTAL. ITALIAN AMBASSADOR THOUGHT ITALY MIGHT RAISE SUBJECT AGAIN IF OPPORTUNITY PRESENTED ITSELF BUT IS NOT CURRENTLY PURSUING IT.

5. JAPANESE ECON COUNSELOR WAS WARY ABOUT DISCUSSING SUBJECT WITH US, AND WOULD NOT SAY WHETHER OR NOT JAPAN HAD MADE OVERTURES TO FMG. HOWEVER, HE OFFERED VIEW THAT IF TERMS WERE RIGHT JAPAN WOULD BE GLAD TO USE JAPAN PETROLEUM DEVELOPMENT CORPORATION FOR DEAL WITH FMG OR NIGERIAL NATIONAL LIMITED OFFICIAL USE

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OIL CORPORATION THAT COULD INVOLVE EXPLORATION, PRODUCTION AND/OR CRUDE DELIVERIES. HE ADDED HOWEVER THAT SO FAR AS CRUDE OIL CONCERNED NIGERIANS' CURRENT PRIIN EXPECTATIONS SEEMED TO RULE OUT POSSIBILITY OF DEAL.

6. WE ALSO TALKED TO DUTCH AND GERMAN ECON COUNSELORS. FORMER INDIGNANT ABOUT GOVERNMENT TO GOVERNMENT DEALS, AND HIGHLY

SUSPICIOUS OF FRENCH AND BRITISH INTENTIONS HERE. LATTER
CONVEYED IMPRESSION THAT FEDERAL REPUBLIC NOT IN GOVERNMENT
TO GOVERNMENT BUSINESS IN NIGERIA OR AT LEAST NOT NOW.

7. COMMENT: UPSHOT OF SITUATION SEEMS TO BE THAT NIGERIANS
REACTING TO OVERTURES (AND WE UNDERSTAND THEY WERE NO MORE
THAT THAT), WITH EXTREME CAUTION AND GIVING IMPRESSION THEY
PREFER TO REMAIN FREE TO MAXIMIZE MARKET OPPORTUNITIES AS
THEY ARISE. IT APPARENTLY REMAINS FOR INTERESTED GOVERNMENTS
TO TAKE FURTHER INITIATIVES IF THEY WISH TO PURSUE
SUBJECT WITH FMG.
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Message Attributes

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